CADPAAC

County Alcohol and Drug Program Administrators Association of California

Dedicated to the reduction of individual and community problems related to the use of alcohol and other drugs and the chronic disease of addiction

CADPAAC Policy Statement: Department Restructuring

Background & Issues:

As part of the anticipated FY 2012-13 Budget plan, the Administration has proposed the elimination of the Department of Alcohol & Drug Programs, along with the Department of Mental Health, and the transfer of those departments' functions to other, as-yet-to-be-identified state departments.

Given that the Administration has not yet submitted a policy or plan for how it proposes to address the impact of substance use disorders and the need for SUD services in California, it seems premature to eliminate the department that is the sole focus for these services. The fact is, substance abuse is one of the major health issues of our time. Eliminating a department is not a policy, and it does not eliminate the problem. Undiagnosed and untreated substance use disorders are a major driver of preventable costs of the medical care system, child welfare system, criminal justice system, and others. The goals of health care reform cannot be realized without a strong and comprehensive substance abuse system of care. Currently the State Dept. of Health Care Services is conducting a comprehensive behavioral needs assessment, as mandated by the Center for Medicaid Services. As part of this mandate, the state will be required to submit a plan detailing how it proposes to meet the need for mental health and SUD services. CADPAAC believes that, if the Administration believes that the need for these services would best be met by eliminating ADP and DMH, and transferring those functions to another department, that proposal should be included in the needs assessment plan, rather than in a separate budget proposal.

ADP serves a key role as the federally-designated Single State Agency (SSA) for SUD services, and directs numerous public policy initiatives in addition to various core functions, such as administering the Federal Block Grant, assuring compliance with federal and state regulations, licensing and certifying treatment programs, collecting and reporting data, maintaining outcomes measurement systems, providing technical assistance and training, interfacing with criminal justice and other state services, conducting needs assessment and planning, workforce development, etc. The ability and commitment of another department or departments to adequately manage all of these responsibilities, along with the data systems and information technology changes that will be required, has not yet been demonstrated.

1415 L Street, Suite 200, Sacramento CA 95814 ~ (916) 441-1850 Fax (916) 441-6178
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A national study commissioned by the Substance Abuse Mental Health Services Administration (SAMHSA) in 2005 (*State Substance Abuse Agencies and Their Placement Within Government: Impact on Organizational Performance and Collaboration in 12 States*, by The Avisa Group) found that, in states where the SSA for alcohol & drug programs was merged with or submerged under another department, the state was unable to advance significant SUD education, prevention, treatment and policy objectives, particularly those objectives that are held jointly with other agencies including mental health, criminal justice, Medicaid and public health, and that Federal funders increasingly mandate.

CADPAAC Recommendations:

- While CADPAAC believes that some efficiencies can be achieved by realigning specific SUD programs to the counties, and by moving the state administration of Drug Medi-Cal services to the state's Medicaid agency (DHCS), we support maintaining the integrity of the state's SUD continuum of services, including prevention, treatment, recovery, continuing care, etc. We believe that the best way to do this is to have a high-level single state agency or division with strong leadership devoted to bringing the needed statewide focus to this continuum of services, and to help the state develop a plan and policy for addressing SUD issues.

- Any future plans regarding placement of SUD services in the state organizational structure must adhere to the following principles:

  - If mental health and substance use disorder services are located within the same single state agency or division, the integrity of both fields must be preserved. Each field would maintain a distinct identity, while collaborating on integrated services at the state and local levels – not only integrated co-occurring services for MH & SUD, but also integration of both fields with primary care. This model would be akin to the federal Substance Abuse and Mental Health Services Administration (SAMHSA).

  - Strong statewide leadership on MH and SUD policy is essential. Given the additional responsibilities assumed by counties under realignment, we need leaders at the state level who will work with counties and support county structures. Effective leadership requires Director or Deputy Director-level leaders who:
    - Are equally experienced and articulate in both MH and SUD issues, have demonstrated knowledge and credibility in MH & SUD and are strong statewide advocates for both fields.
    - Have the ability to move the fields forward in health care reform.
    - Can provide direction across all state departments that are affected by MH & SUD.
    - Understand and can address federal issues (especially federal Maintenance of Effort requirements), and can develop linkages to federal structures.
    - Can improve administrative efficiencies and provide common solutions to information technology implementation.
    - Will be strong voices in addressing cultural disparities.

- If the Administration goes forward with its department restructuring proposal as part of the FY 2012-13 budget plan, CADPAAC supports the proposal undergoing a full set of legislative hearings, in both policy and budget committees, where its practicality, cost-effectiveness, impacts on the continuum of services, etc. can be fully analyzed. Any department restructuring must be accompanied by a cost-benefit analysis of the reorganization. In addition, any proposal to restructure the department should be included in the federally-mandated SUD and Mental Health Needs Assessment plan with a full explanation of the benefits and risks of the restructuring proposal.

- Although CADPAAC recommends keeping the SUD functions under a single high-level state agency or division, CADPAAC also believes that it is important to create better access to care for Health Insurance Exchange beneficiaries. Consequently, CADPAAC recommends the creation of a state Mental Health/Substance Use Disorder Health Care Exchange, which would manage the SUD & MH benefits/services for those individuals who are beneficiaries of the State Health Benefits Exchange.

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CADPAAC Policy Statement: Drug Medi-Cal

Background & Issues:

As part of his FY 2011-12 Budget plan, the Governor proposed the transfer of the state administration of the Drug Medi-Cal program from ADP to the Dept. of Health Care Services (DHCS), while realigning the program services to the counties. The Legislature passed, and the Governor signed into law, AB 106 to implement this transfer.

The Drug Medi-Cal realignment proposal shifts to counties the responsibility for a program that is already inadequate relative to all other Medi-Cal systems, with reimbursement rates that are insufficient to cover actual costs for service delivery, and a range of services that is too limited to be clinically sound. Due to low reimbursement rates and the limited range of benefits, many providers will not serve Drug Medi-Cal clients, because the program does not allow them to provide professional and ethical services that reflect established standards of care in the field.

Drug Medi-Cal was never intended as an evidence-based benefit design, but rather a description of outpatient coverage that qualified for Medi-Cal reimbursement. It is restricted, out-of-date and no longer reflects the growing evidence base in SUD disorder treatments. What DHCS/Medi-Cal needs to cover under D/MC should include the entire evidence-based SUD specialty continuum of care developed through careful research, supported by the NIH. This begins with screening and brief intervention, intake and science-based assessment leading to severity of illness and diagnosis, detoxification or emergency/inpatient intervention if medically appropriate and necessary. The continuum then indicates that the next level of services includes evidence-based counseling and care coordination of various modalities indicated for patients and families, medication-assisted treatment if appropriate and necessary, treatment of co-occurring disorders (medical and psychiatric/psychological), residential non-hospital treatment if necessary and appropriate, supportive transitional housing, day care/day reporting center interventions, intensive outpatient treatment, telemedicine if needed and appropriate, and recovery support services including continuing care. (See Attachment A)

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CADPAAC Recommendations:

- CADPAAC supports the transfer of the state administration of the Drug Medi-Cal program from ADP to DHCS, the state's Medicaid agency, with continuation of current program and staff requirements.

- As a long-term goal, the Drug Medi-Cal program should undergo significant revisions, including the provision of a full range of SUD benefits that meet established standards of care in the substance abuse treatment field. At minimum, SUD benefits should reflect the scope of benefits and reimbursement rates available under the rehab model.

- At the same time, while counties support expansion of Drug Medi-Cal benefits to provide an adequate continuum of care, counties must also have the ability to manage the fiscal risks associated with providing mandated Drug Medi-Cal services. Therefore, CADPAAC supports a full discussion regarding the pros and cons of moving from a fee-for-service system only into a managed care system for Drug Medi-Cal.

- Some D/MC regulations should be reexamined/changed, i.e. two services on the same day, funding case management, etc.

- There is a need to review state regulations for the Drug Medi-Cal Services. In addition to the federal Medicaid regulations, California has over the years added layers of additional state regulations to govern the operations of D/MC programs. These added state regulations appear unnecessary, can add cost to providing services, are often cumbersome, inefficient, and interfere with the delivery of appropriate treatment and health care delivery. The state's additional regulations governing the Drug Medi-Cal services inhibit the ability to deliver appropriate care based on proper protocols, assessment, and identified treatment needs. The state regulations make the use of medically-recognized best practices impossible. Examples of such restrictions include, but are not limited to:

  - ✓ Restrictions on medications that can be used;
  - ✓ Limitations on the frequency and type of sessions;
  - ✓ Limitations on group size;
  - ✓ Requiring added drug testing which is not based on clinical need;
  - ✓ Certification based on the site rather than the primary provider;
  - ✓ Requiring operating hours in excess of federal regulations, which is costly; and
  - ✓ Allowing only the five limited services.

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CADPAAC Policy Statement: Realignment

Background & Issues:

The realignment plan proposed by the Governor and adopted by the Legislature provides a total of $6.3 billion in FY 2011-12 to local governments to fund various criminal justice, mental health, social service, and alcohol & drug treatment programs, including a realignment of $184 million of ADP programs to counties. However, the adopted realignment package differs in two respects from the Administration's original proposal. First, the Legislature's plan relies on a shift of existing state and local tax revenues rather than the extension of expiring tax rates as proposed by the Governor. Second, the adopted budget legislation does not include the Governor's proposal for a constitutional amendment to make the funding allocations to local governments permanent and protect the state from potential mandate claims.

The revenues provided for realignment are deposited into a new fund, the Local Revenue Fund 2011. The budget package creates 8 separate accounts and 12 subaccounts within this fund to pay for the realigned programs. One of these accounts, the Health and Human Services Account, contains four separate subaccounts for SUD programs: (1) Regular and Perinatal Drug Medi-Cal ($131 million); (2) Regular and Perinatal Non Drug Medi-Cal ($21 million); (3) Drug Courts ($27 million); and (4) Women and Children's Residential Treatment Services ($5 million). Another account created in the Local Revenue Fund 2011 is the Reserve Account, where revenues in excess of the amount projected for each account are deposited. The budget legislation requires revenue deposited into the Reserve Account to be used to reimburse counties for programs paid from the Foster Care, Drug Medi-Cal, and Adoption Assistance Program Subaccounts.

The budget package limits the use of funds deposited into each account and subaccount to the specific programmatic purpose of the account or subaccount. The budget does not contain any provisions allowing cities or counties flexibility to shift funds among these programs. The budget legislation also contains some formulas and general direction to determine how the funding would be allocated among counties. The budget legislation does not specify program allocations among the various accounts and subaccounts, or among counties, for 2012-13 and beyond. Despite uncertainty surrounding these ongoing allocations, the revenues being deposited into the Local Revenue Fund 2011 for purposes of realignment are expected to be ongoing.

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CADPAAC Recommendations:

- SUD prevention and treatment services are essential to the health and safety of all Californians, and must be adequately funded.

- CADPAAC supports the realignment of SUD programs to the counties, provided there is a stable and adequate funding source.

- Even though the Realignment Reserve Account prioritizes entitlement programs such as Drug Medi-Cal, constitutional protections are essential to ensure that funding to meet D/MC mandates is available.

- For base funding under realignment, counties need to be held harmless.

- Counties need assurance that there will be adequate, ongoing revenues for the realigned programs, as well as a mechanism for revenue growth.

- Because Drug Medi-Cal services are a statewide entitlement, and as such services for eligible persons must be made available as medically indicated, the proposal needs to insure that realignment funds are sufficient to cover the costs for counties to provide these services.

- Counties should be protected from having to dismantle essential non-Drug Medi-Cal services (e.g. Drug Court, regular and perinatal non-DMC services) in order to provide match needed for future Drug Medi-Cal growth. Counties should be able to access the Realignment Reserve Account once they have expended all of the funding in their Drug Medi-Cal subaccount.

- Counties need to have the flexibility and authority to manage the fiscal and programmatic risk they will assume for the realigned programs.

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